

The conference highlighted the Army's G-staff for a "hot-seat" panel that enabled invited attendees to interact and ask pertinent questions. In addition, a "Strategic Partner Panel" was held with panel members that included the Army Materiel Command, Army Test and Evaluation Command, Defense Contracting Management Agency, Defense Logistics Agency and Defense Information Systems Agency. On Aug. 12, 2004, attendees ventured to nearby Fort Knox for a live-fire exercise, equipment static display and demonstration area.

Conference attendees were specifically invited by the AAE. Invitees included approximately 300 Army program executive officers, program managers, acquisition commanders and many of the Army's senior leaders.

If you have questions regarding this year's conference, contact Joan Sable at (703) 805-4357, DSN 655-4357 or joan.l.sable@us.army.mil. Information is also available online at http://asc.army.mil/events/conferences/2004/slc_about.cfm.

Conferences

2004 Network Centric Operations Conference

The 2004 Network Centric Operations (NCO) conference *Supporting Operations Abroad and in the Homeland* will be held Sept. 20-23, 2004, in Atlantic City, NJ. Sponsors are the U.S. Army Communications-Electronics Command and Fort Monmouth chapters of the Armed Forces Communications and Electronics Association, the Army Aviation Association of America, the Association of Old Crows and the Association of the U.S. Army.

The conference provides exhibits, tutorials and discussion on many aspects of NCO, including protocols for wireless networks, the impact of NCO on homeland security and on the battlefield, information operations in a networked environment and smart antenna systems. To register or for additional information, go to www.NetCentricOps04.com.

Worth Reading

Transforming Government Supply Chain Management

Edited by Dr. Jacques S. Gansler and Robert E. Luby Jr.
Rowman & Littlefield Inc.
Lanham, MD, 2003



National experts in supply chain management announced a series of recommendations in a new book, *Transforming Government Supply Chain Management*, which could dramatically increase the federal government's ability to deliver services more quickly and more reliably, while also generating billions of dollars in savings to taxpayers. The book is a collaborative project of the Center for Public Policy and Private Enterprise and the IBM Center for the Business of Government. It is co-edited by Dr. Jacques S. Gansler, Interim Dean and Professor at the University of Maryland School of Public Affairs, and Robert E. Luby Jr., Partner at IBM Business Consulting Services. Gansler previously served as the Under Secretary of Defense for Acquisition, Technology and Logistics. He is the Roger C. Lipitz Chair at the Center for Public Policy and Private Enterprise. Featured prominently in the book is the role of information technology in planning, tracking, ordering, controlling inventories and moving products.

"The intent of this book is to speed up the public sector's transformation to the best supply chain management techniques in use by the private sector," Gansler explained.

"There is an urgent need to improve the government's ability to deliver its broad range of products and services, particularly in the area of responding to threats of domestic terrorism and international conflicts."

The book looks at essential techniques to enable government to achieve standards that the commercial sector has already mastered. It incorporates findings from a series of dialogues between top government officials and top business leaders from companies including General Electric, Boeing Co., Cisco Systems, Caterpillar, Visa USA and Covisint. Senior government representatives also participated.

“The key to modernizing supply chain management in the private sector has been internal and external digital integration, including new linkages between logistics, procurement and finance operations,” said Luby, a long-time consultant for DOD and Defense Supply Centers and Defense Supply Chain Leader with IBM Business Consulting Services.

The authors say the government can and must do more to adopt available and proven tools for implementing a modern supply chain. These include:

- Instant, worldwide communications
- Interoperable, flexible and secure information technology
- Remote diagnostics and automated decision-making aids
- Modern, high-speed transportation

Transforming Government Supply Chain Management presents examples and case studies showing how public and private sector organizations have successfully implemented modern, information-based supply chain management techniques. For example, as customers move through checkout lines at Wal-Mart®, sales information is transmitted to suppliers, truckers and warehouse workers so they can make real-time ordering and shipping decisions. Barriers to using world-class supply chains — such as those operated by Wal-Mart and Fedex® — in government agencies are identified and specific recommendations provided for removing these barriers.

Public-sector supply chains, such as DOD’s logistics systems, average about 4 weeks for an order — when parts are on the shelf — and are not highly dependable or very flexible. The book’s recommendations address key issues to transform government supply chain management so that it achieves the best in commercial organizations, delivering services and products on demand, with an order-to-receipt time in 2 days or less, with near-perfect probability and considerable robustness to respond to unexpected contingencies and surge requirements.

Streamlining and modernizing government supply chains can be expected to result in substantial cost savings as well as delivery-time improvements. By comparison, commercial firms have found that significant supply chain improvements can lower costs by 10 to 30 percent. DOD spends more than \$80 billion annually on logistics support. In this case, even a 10 percent savings would free up \$8 billion annually for other pressing needs such as military equipment modernization.

Call for Major Reform

The book presents a plan for how government can dramatically reform its supply chain management practices, including:

- Removing cultural barriers by making supply chain management transformation a top priority, engendering trust in the system, motivating employees to accept change and developing a partnership between the public and private sectors.
- Overcoming legal barriers like the “50/50” rule for staffing government depot work, mandatory paperwork, micro-purchasing requirements and preferential contracting rules.
- Tackling administrative hurdles by simplifying business case requirements and aggressively implementing information systems and information security.
- Addressing resource obstacles by upgrading information technology (IT) systems and providing sufficient funding.
- Transforming government logistics by catalyzing leaders; directing interoperability; implementing the right metrics; using commercial software, hardware and services; analyzing available logistics data; and implementing continuous improvements.

Also described in the book’s case studies are successful government initiatives such as the National Science Foundation’s (NSF’s) high-performing financial management system. By integrating grants management and human resource systems, NSF cut the time between its grant awards and receipt of funds from 2 to 3 months to just 48 hours.

In another government success story, the defense medical logistics community implemented a suite of IT applications and other supply chain tools, cutting inventory from 380 to 10 days and order-to-receipt time from 20 days to 24 hours. The savings were estimated to be \$1.2 billion within the first 4 years.

Gansler said, “Despite these successes, there has not yet been governmentwide implementation. We hope this project will provide the tools needed for government agencies, trainers and educators to fill that gap.”

How to Obtain the Book

Transforming Government Supply Chain Management is published by Rowman & Littlefield Publishers Inc. It is available for purchase from online bookstores and from Rowman & Littlefield at www.rowmanlittlefield.com.